

No. 12403

---

United States  
Court of Appeals  
for the Ninth Circuit.

---

WILLIAM J. DUBIL, EDWARD J. HUBIK and  
EARL F. SHORES,

Appellants,

vs.

RAYFORD CAMP & CO., and RAYFORD CAMP,  
Appellees.

---


SUPPLEMENTAL  
Transcript of Record

---

Appeal from the United States District Court,  
Southern District of California,  
Central Division.

FILED

FEB 13 1950

PAUL P. O'BRIEN,   
CLERK



No. 12403

---

---

United States  
Court of Appeals  
for the Ninth Circuit.

---

WILLIAM J. DUBIL, EDWARD J. HUBIK and  
EARL F. SHORES,

Appellants,

vs.

RAYFORD CAMP & CO., and RAYFORD CAMP,  
Appellees.

---

**SUPPLEMENTAL**  
**Transcript of Record**

---

Appeal from the United States District Court,  
Southern District of California,  
Central Division.



In the United States District Court, Southern  
District of California, Central Division

Civil Action No. 8649-Y

WILLIAM J. DUBIL, EDWARD J. HUBIK,  
and EARL F. SHORES,

Plaintiffs,

vs.

RAYFORD CAMP & CO., RAYFORD CAMP,  
JOHN DOE, JANE DOE, and JOHN DOE  
CO.,

Defendants.

MEMORANDUM OF POINTS AND AUTHOR-  
ITIES IN SUPPORT OF DEFENDANTS'  
MOTION TO DISMISS THE SECOND  
COUNT OF PLAINTIFFS' COMPLAINT  
FOR LACK OF JURISDICTION

This is an action alleging, in the first count of the Complaint, infringement of plaintiffs' patent on Method of Preparing Fresh Meat and, in the second count, infringement of the trade-mark "Chip Steaks" and unfair competition.

This motion is addressed to the second count which is characterized in the pleading as a "Second, Further and Additional Cause of Action." It is defendants' contention that this Court lacks jurisdiction over the cause or causes of action set forth therein and that the second count of plaintiffs' Complaint should, accordingly, be dismissed.

Plaintiffs' Complaint does not allege diversity of citizenship nor registration of its trade-mark under any federal trade-mark statute but, in Paragraph VIII, asserts only a California State registration which is insufficient to confer original jurisdiction in an infringement action in the federal court. The basis of this Court's jurisdiction is stated, however, in Paragraph V of the Complaint, to arise under the patent laws of the United States. It is apparent, therefore, that there is no original jurisdiction over the matter pleaded in the second count but that plaintiffs rely on the jurisdiction of the Court over their first cause of action in patent infringement to provide the necessary jurisdiction over the second cause of action for infringement of their California trade-mark and unfair competition. But, as will be shown, such derivative jurisdiction of the federal court over the second cause of action is also lacking in this instance, and thus there is nothing whatever to sustain this cause of action in the federal court.

### I.

In the Absence of Diversity of Citizenship, the Federal Court Lacks Jurisdiction over a Non-Federal Cause of Action Joined with a Separate and Distinct Federal Cause of Action.

Plaintiffs' first cause of action for patent infringement is a federal cause of action properly cognizable by the federal court. Joined therewith, their second cause of action, being non-federal in character, is governed, as to the jurisdiction of the

federal court to hear it, by the rule enunciated by the Supreme Court in *Hurn v. Oursler*, 289 U. S. 238, 77 L. Ed. 1148 (1933), and reiterated in *Armstrong Paint & Varnish Works v. Nu-Enamel Corporation*, 305 U. S. 315, 83 L. Ed. 195 (1938).

In the *Hurn* Case the plaintiff alleged that he was the author of the copyrighted play "The Spider" which was infringed by defendant's play entitled "The Evil Hour". Plaintiff had previously submitted "The Spider" to defendant who had rejected it. The complaint alleged (1) copyright infringement, (2) unfair competition with the copyrighted play "The Spider", and (3) unfair competition with an uncopyrighted version of "The Spider".

The Supreme Court held that the lower court had direct jurisdiction over claim (1) and derivative jurisdiction over claim (2) but no jurisdiction over the unfair competition cause alleged in claim (3). The fundamental basis of the distinction was clearly made that federal claim (1) and non-federal claim (2) showed but one cause of action for which dual remedies were alleged, whereas claim (3) alleged a separate and distinct cause of action from the federal claim for copyright infringement. Said Mr. Justice Sutherland at page 1154:

"But the rule does not go so far as to permit a federal court to assume jurisdiction of a separate and distinct non-federal cause of action because it is joined in the same complaint with a federal cause of action. The distinction to be observed is between a case where two distinct grounds in support of a

single cause of action are alleged, one only of which presents a federal question, and a case where two separate and distinct causes of action are alleged, one only of which is federal in character. In the former, where the federal question averred is not plainly wanting in substance, the federal court, even though the federal ground be not established, may nevertheless retain and dispose of the case upon the non-federal ground; in the latter it may not do so upon the non-federal cause of action." (Underscoring indicates italics.)

And in referring to claim (3) above, the court stated at page 1155:

". . . Since that claim did not rest upon any federal ground and was wholly independent of the claim of copyright infringement, the district court was clearly right in dismissing it for want of jurisdiction. The bill as amended, although badly drawn, sets forth facts alleged to be in violation of two distinct rights, namely, the right to the protection of the copyrighted play, and the right to the protection of the uncopyrighted play. From these averments two separate and distinct causes of action resulted, one arising under a law of the United States, and the other arising under general law. For reasons that have already been made manifest, the latter is entirely outside the federal jurisdiction and subject to dismissal at any stage of the case. It is hardly necessary to say that a federal court is without the judicial power to entertain a cause of action not within its jurisdiction, merely because that cause of action has mistakenly been joined in the com-



plaint with another which is within its jurisdiction.”

It is submitted that the present cause of action for infringement of the California trade-mark and unfair competition is similar to the claim which was dismissed in *Hurn v. Oursler*, *supra*, for lack of jurisdiction.

## II.

Plaintiffs' Allegations of Unfair Competition and Trade-Mark Infringement Set Forth a Separate and Completely Distinct Cause of Action From the Cause of Action for Patent Infringement over which this Court has Jurisdiction.

In following the rule stated by the Supreme Court in *Hurn v. Oursler supra*, it is only necessary for the Court to determine whether the two counts of plaintiffs' Complaint state two separate causes of action or but one cause of action having several remedies. In other words, is the second count here similar to the unfair competition with the copyrighted play in *Hurn v. Oursler*, or is it like the situation where unfair competition is alleged with respect to the uncopyrighted version?

Some light on this question is shed by the Court's own definition of what constitutes a cause of action for jurisdictional purposes. This is stated as follows at page 1154:

“ . . . ‘A cause of action does not consist of facts . . . but of the unlawful violation of a right which the facts show. The number and variety of the facts alleged do not establish more than one cause of action so long as their result, whether they be

considered severally or in combination, is the violation of but one right by a single legal wrong. . . .’ ”

In the present case the second count of plaintiffs' Complaint definitely states a separate and distinct cause of action from that alleged in the count for patent infringement. Not only is the second count characterized by plaintiffs in their own pleading as “a second, further and additional cause of action,” but, applying the test definition stated by the Supreme Court above, it becomes clear that the second count of the Complaint seeks to protect a different right and to redress for a different wrong than the first count.

Plaintiffs' first cause of action alleges the infringement of a process patent, the claims of which cover only a method of preparation. There are no product claims to this patent, thus it is infringed only by following the steps in preparing the meat disclosed and claimed by the patentee. The patent, like any process patent, is not infringed by the sale of the product produced by the process.

See:

Merrill v. Yoemans,

94 U. S. 568, 24 L. Ed. 235 (1877);

Welsbach Light Co. v. Union Incandescent  
Light Co., 101 Fed. 131 (C.C.A. 2 1900);

National Phonograph Co. v. Lambert Co.,  
125 Fed. 388 (C.C. Ill. 1903); .

Barton v. Nevada Consolidated Copper Co.,  
36 Fed. (2d) 85 (D.C. N.Y. 1929);

In re Amtorg Trading Corp.,

75 Fed. (2d) 826 (C.C. P.A. 1935); and

Foster v. Snell,

88 Fed. (2d) 611 (C.C.A. 2 1937).

In the last cited case the rule is stated at page 612 as follows:

“. . . A mere sale of the product of the process does not constitute an infringement of a process patent. *Welsbach Light Co. v. Union Incandescent Light Co.*, 101 F. 131 (C.C.A. 2); *In re Amtorg Trading Corporation*, 75 F. (2d) 826, 832 (Cust. & Pat. App.), and cases therein cited.”

Thus, in the first count plaintiffs' only complaint under the patent in suit is that defendants have manufactured or prepared meat by a process which plaintiffs alone may practice. It is the invasion of plaintiffs' exclusive right to engage in the patented method which is the sole right capable of being violated thereunder. In the second count an entirely different right is alleged to be invaded, namely, the right to exclusive use of the trade-mark and freedom from unfair competition in the sale of the meat product. The sale of the meat by defendants gives rise to one cause of action under the second count; the manufacture or preparation of the meat gives rise to another cause of action under the first count. Two different acts on defendants' part are required, namely, manufacture of meat by the patented process and sale of meat unfairly, or bearing an infringing label. Two separate acts; two separate rights invaded; two separate causes of action resulting.

Since the *Hurn v. Oursler* decision, many lower courts have applied a practical test to determine whether in any case separate causes of action or but a single cause was involved. If the facts requiring proof at the trial under both counts were found to be nearly identical, then as a matter of convenience it would appear desirable to hold that but a single cause of action was involved and to try both issues in one suit in the federal court. However, where no substantial overlapping of facts would result at the trial, jurisdiction has been consistently refused under *Hurn v. Oursler* as exemplified in the following cases:

*Musher Foundation v. Alba Trading Co.*,  
127 Fed. (2d) 9, 10 (C.C.A. 2 1942) (Cert.  
denied 317 U. S. 641 87 L. Ed. 517, 1942);

*Lewis v. Vendome Bags*,  
108 Fed. (2d) 16 (C.C.A. 2 1939) (Cert.  
denied 309 U. S. 660 84 L. Ed. 1008, 1940);

*Zalkind v. Scheinman*,  
139 Fed. (2d) 895 (C.C.A. 2 1943) (Cert.  
denied 322 U. S. 738 88 L. Ed. 1572, 1944);

*Hydraulic Press Mfg. Co. v. Columbus Iron  
Malleable Co.*, 35 F. Supp. 603 (D.C. Ohio  
1940);

*Keyes Fibre Co. v. Chaplin Corp.*,  
76 Fed. Supp. 981, 985 (D.C. Me. 1947);

*Fred Benioff Co. v. Benioff*,  
55 Fed. Supp. 393, 396 (D.C. N.D. Cal.  
1944); and

*Bell v. Hood*,  
71 Fed. Supp. 813, 820 (D.C. S.D. Cal.  
1946).

In the present case little convenience would be served by joining plaintiffs' various causes of action in one suit. The patent infringement count involves questions concerning the validity of the patent, such as prior art, anticipation, and invention, as well as the question of infringement by use of the claimed method of meat preparation. The trade-mark and unfair competition actions involve the validity and infringement of the trade-mark, the sale of the meat, its dress, and particularly confusion among customers. There is no substantial overlapping of facts to be proven under each separate cause of action. Thus, there is no persuasive reason for extending jurisdiction even as a practical matter to the unrelated non-federal claim.

In *Musher Foundation v. Alba Trading Co. supra*, the situation was very similar to the present case. There the complaint alleged in the first count infringement of three product and process patents and in the second count infringement of the plaintiff's common law trade-mark "Infused" and unfair competition by defendant's use of this word in advertising and on its containers for the sale of the products. No diversity of citizenship existed, and defendant moved to dismiss the second cause of action for lack of jurisdiction. The court, upholding the dismissal by the district court, with Judge Clark dissenting, said at page 10:

"In the case before us we can see no substantial identity between the proof showing infringement of the complainant's patents and that showing an infringement of its common law trade-mark "In-

fusion.” Proof of infringement of the patents would require no evidence of the use of the word “infusion” and proof of the similarity of complainant’s and defendant’s containers would not establish infringement of the patents. The two counts do not merely allege different grounds of recovery founded upon substantially the same facts, but rather set forth causes of action which under the doctrine of *Hurn v. Oursler* and *Armstrong Paint & Varnish Works. v. Nu-Enamel Corp.*, supra, are separate and cannot be joined, since one is federal and the other non-federal. Consequently, the district judge properly dismissed the second cause of action for lack of jurisdiction.”

The Supreme Court denied certiorari in this case in 317 U. S. 641, 87 L. Ed. 517.

It is to be noted that, even under Judge Clark’s excellent dissent in the *Musher Case*, jurisdiction is lacking here since separate causes of action having not even “a substantial amount of overlapping testimony” are pleaded in the Complaint.

In conclusion, under the definition of a cause of action stated in *Hurn v. Oursler* supra and according to the lower court cases following and interpreting this decision, each count of plaintiffs’ Complaint states a separate and distinct cause of action. Since only the first of these is federal in character, it is submitted that this Court has no jurisdiction over the “Second, Further and Additional Cause of Action” alleged in plaintiffs’ Complaint, and it should, accordingly, be dismissed.

[Endorsed]: Filed October 21, 1948.